

WC 04-7

PLEASE DATE STAMP & RETURN

SWIDLER BERLIN SHEREFF FRIEDMAN, LLP

THE WASHINGTON HARBOUR
3000 K STREET, NW, SUITE 300
WASHINGTON, DC 20007-5116
TELEPHONE (202) 424-7500
FACSIMILE (202) 424-7643
WWW.SWIDLAW.COM

NEW YORK OFFICE
THE CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK, NY 10174
TEL (212) 973-0111
FAX (212) 891-9598

January 14, 2004

VIA HAND DELIVERY

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau
P.O. Box 358145
Pittsburgh, PA 15251-5145

FCC/MELLON JAN 14 2004

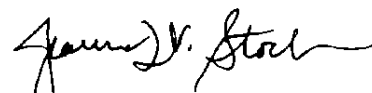
Re: In the Matter of the Joint Application of Cable & Wireless USA, Inc., Debtor-in-Possession and Gores Asset Holdings, Inc. for Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended, to Transfer Certain Assets of an Authorized Domestic and International Carrier

Dear Ms. Dortch:

On behalf of Gores Asset Holdings, Inc. ("Gores") and Cable & Wireless USA, Inc., Debtor-in-Possession ("C&W USA") (together, "Applicants"), enclosed please find an original and six (6) copies of an application for Commission approval to transfer control of certain domestic and international telecommunications assets of C&W USA to Gores. Also enclosed is check in the amount of \$860.00, payable to the Federal Communications Commission, to cover the filing fee required for this application under line 2.b of Section 1.1105 of the Commission's rules. Applicants are concurrently filing this Application with the FCC's International Bureau for authority to transfer C&W USA's international Section 214 customers to Gores.

Please date-stamp the enclosed extra copy of this filing and return it in the envelope provided. Please do not hesitate to contact us if you have any questions regarding this filing.

Respectfully submitted,



Jean L. Kiddoo
Jeanne W. Stockman

Enclosures

cc: Brad E. Mutschelknaus (KDW)
Robert J. Aarnoth (KDW)

READ INSTRUCTIONS CAREFULLY
BEFORE PROCEEDING

FEDERAL COMMUNICATIONS COMMISSION
REMITTANCE ADVICE

Approved by OMB
3060-0589
Page 1 of 1

(1) LOCK BOX # 338145		SPECIAL USER ONLY	
SECTION A - PAYER INFORMATION			
(2) PAYER NAME (if paying by credit card enter name exactly as it appears on the card) Swidler Berlin Shereff Friedman, LLP		(3) TOTAL AMOUNT PAID (U.S. Dollars and cents) \$860.00	
(4) STREET ADDRESS LINE NO 1 3000 K Street, N.W.			
(5) STREET ADDRESS LINE NO 2 Suite 300			
(6) CITY Washington		(7) STATE DC	(8) ZIP CODE 20007
(9) DAYTIME TELEPHONE NUMBER (include area code) 202-424-7500		(10) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(11) PAYER (FRN) 0004353900		(12) FCC USE ONLY	
IF MORE THAN ONE APPLICANT, USE CONTINUATION SHEETS (FORM 159-C) COMPLETE SECTION BELOW FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(13) APPLICANT NAME Gores Asset Holdings, Inc.			
(14) STREET ADDRESS LINE NO 1 10877 Wilshire Blvd			
(15) STREET ADDRESS LINE NO 2 18th Floor			
(16) CITY Los Angeles		(17) STATE CA	(18) ZIP CODE 90024
(19) DAYTIME TELEPHONE NUMBER (include area code) 310-209-3010		(20) COUNTRY CODE (if not in U.S.A.)	
FCC REGISTRATION NUMBER (FRN) REQUIRED			
(21) APPLICANT (FRN) 0010149060		(22) FCC USE ONLY	
COMPLETE SECTION C FOR EACH SERVICE, IF MORE BOXES ARE NEEDED, USE CONTINUATION SHEET			
(23A) CALL SIGN/OTHER ID	(24A) PAYMENT TYPE CODE CUT	(25A) QUANTITY 1	
(26A) FEE DUE FOR (PTC) \$860.00	(27A) TOTAL FEE \$860.00	FCC USE ONLY	
(28A) FCC CODE 1		(29A) FCC CODE 2	
(23B) CALL SIGN/OTHER ID	(24B) PAYMENT TYPE CODE	(25B) QUANTITY	
(26B) FEE DUE FOR (PTC)	(27B) TOTAL FEE	FCC USE ONLY	
(28B) FCC CODE 1		(29B) FCC CODE 2	
SECTION D - CERTIFICATION			
CERTIFICATION STATEMENT I, <u>James D. Stock</u> , certify under penalty of perjury that the foregoing and supporting information is true and correct to the best of my knowledge, information and belief.			
SIGNATURE <u>James D. Stock</u>		DATE <u>1/14/04</u>	
SECTION E - CREDIT CARD PAYMENT INFORMATION			
MASTERCARD _____ VISA _____ AMEX _____ DISCOVER _____			
ACCOUNT NUMBER _____		EXPIRATION DATE _____	
I hereby authorize the FCC to charge my credit card for the service(s) authorization herein described.			
SIGNATURE _____		DATE _____	

SEE PUBLIC BURDEN ON REVERSE

FCC FORM 159

FEBRUARY 2003 (REVISED)

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of the Joint Application of)	
)	
CABLE & WIRELESS USA, INC.,)	
Debtor-in-Possession)	File No. ITC-T/C-2003 _____
)	
and)	
)	
GORES ASSET HOLDINGS, INC.)	
)	WC Docket No. 03- _____
for Authority Pursuant to Section 214 of the)	
Communications Act of 1934, as Amended,)	
to Transfer Certain Assets of an Authorized)	
Domestic and International Carrier)	

APPLICATION

Cable & Wireless USA, Inc., Debtor-in-Possession ("C&W USA") and Gores Asset Holdings, Inc. and affiliates ("Gores") (C&W USA and Gores, together, "Applicants"), through their undersigned counsel and pursuant to Section 214 of the Communications Act of 1934, as amended, 47 U.S.C. § 214 (the "Act"), and Sections 63.03, 63.04 and 63.24(a) of the Commission's Rules, 47 C.F.R. §§ 63.03, 63.04 and 63.24(a), hereby respectfully request that the Commission grant authority to enable Gores to acquire substantially all of C&W USA's assets, as described in this application. The proposed transaction is not expected to result in a loss or impairment of service to the C&W USA customers that would be affected by consummation of the proposed transaction.

Pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b), Applicants are filing a combined domestic and international Section 214 transfer of control application. In connection with the transfer of C&W USA's international Section 214 customers, Applicants provide below the information required by Section 63.24(a) of the

Commission's Rules, 47 C.F.R. § 63.24(a).¹ Exhibit A provides the additional information requested by Section 63.04(a)(6) through (a)(12) of the Commission's Rules, 47 C.F.R. § 63.04(a)(6)-(12), in connection with the assignment of domestic Section 214 customers and network assets.

The Applicants respectfully request streamlined, expedited treatment of this Application pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 and 63.12. This Application is eligible for streamlined processing pursuant to Section 63.03(b)(1)(ii) of the Commission's Rules, 47 C.F.R. § 63.03(b)(1)(ii), because Gores, the transferee, is not itself a telecommunications provider. In addition, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i). As a result of the transaction, Gores will have market share in the interstate, interexchange market of substantially less than 10 percent, and Gores will not be dominant with respect to any domestic service. This Application also qualifies for streamlined treatment under Section 63.12 because (i) Gores is not affiliated with a dominant foreign carrier; (ii) as a result of the transaction, Gores will not be affiliated with any foreign carrier; and (iii) none of the other scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12, apply.

¹ Applicants note that C&W USA will continue for some period of time to provide services to certain customers for whom C&W USA is discontinuing service and therefore are not being transferred to Gores. C&W USA has or will provide the requisite notice to the affected customers. Moreover, Gores is not affiliated with any foreign carrier and, unlike C&W USA, will not be treated as a dominant carrier on any international route. Accordingly, Applicants do not seek to transfer any of C&W USA's international Section 214 authorizations to Gores. Instead, Gores is filing an application to obtain global international Section 214 authority concurrently herewith.

I. The Applicants

A. Cable & Wireless USA, Inc., Debtor-in-Possession

C&W USA is a wholly-owned subsidiary of Cable & Wireless Holdings, Inc., which is, in turn, ultimately a wholly-owned subsidiary of Cable and Wireless plc, a publicly-held corporation, incorporated under the laws of the United Kingdom. C&W USA provides a wide variety of high-performance Internet, data, and communications services. On December 8, 2003, C&W USA and certain of its subsidiaries filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware (“Bankruptcy Court”) to reorganize their business and financial structure.²

B. Gores Asset Holdings, Inc.

Gores is a newly formed company organized under the laws of Delaware. Gores is affiliated with Gores Technology Group, LLC, a private investment firm focused on control-oriented buyout investments in the technology and telecommunications sectors. Gores Technology Group, LLC and its affiliates have a record of creating sustainable value in its companies by focusing on customers and employees, supporting management with operational expertise and providing access to capital. Gores will have access to Gores Technology Group, LLC’s internal operations team which has substantial experience restructuring financially troubled businesses into profitable business ventures. In addition, Applicants anticipate that certain members of C&W USA’s senior management team will assume comparable management positions with Gores upon closing of the transaction. Accordingly, Gores will have the managerial and technical resources necessary to continue C&W USA’s operations.

² See *In re: Cable & Wireless USA, Inc., et al*, Case No.03-13711 (GCG) (Bankr D.DE.), filed December 8, 2003.

II. Description of the Proposed Asset Purchase Transaction

After a strategic review of its businesses, Cable and Wireless plc, the parent corporation of C&W USA, announced on June 4, 2003 that it planned to withdraw from the United States domestic market, while maintaining the infrastructure necessary to serve its international customers. Notwithstanding its decision to discontinue its domestic United States operations, Cable and Wireless plc committed to providing continued financial support to C&W USA and negotiated a credit agreement, more fully described below, to fund C&W USA's operations and preserve value in the business while C&W USA's management and Board of Directors reviewed their alternatives. The Board of Directors ultimately decided to sell substantially all of the assets of C&W USA to a qualified buyer to carry on the development of C&W USA's operations and expand in the United States.

C&W USA is a provider of network services for global enterprises, providing services throughout the United States to a wide variety of customers, including a significant number of Fortune 100 companies. Other members of the Cable & Wireless group have operations in the United Kingdom, continental Europe, Japan, the Caribbean, Panama, the Middle East and Macau. C&W USA determined that the sale of substantially all of its assets would be in the best interest of both customers and creditors as its market position, products and customer relationships are strong, its technology is leading edge, and there is significant value to its core business

Following various negotiations, C&W USA,³ together with its subsidiaries, announced on December 8, 2003, that it had entered into an Asset Purchase Agreement ("APA") dated

³ Cable and Wireless plc is also the parent of Cable & Wireless Internet Services, Inc. ("CWIS"), which provides web hosting and other unregulated services. CWIS is also a party to the Asset Purchase Agreement. For purposes of description of the terms of the Asset Purchase Agreement, references herein to C&W USA in this Section II shall also include CWIS and certain of their respective subsidiaries

December 7, 2003 with Gores Asset Holdings, Inc. ("Gores"), an affiliate of Gores Technology Group, LLC, to sell C&W USA's customers and network assets. As is not uncommon in these types of transactions, and as mentioned above, in order to facilitate the sale of assets and in accordance with the APA, C&W USA filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code. C&W USA also filed a Plan of Reorganization and other required documents with the Bankruptcy Court.

The APA provides for the sale of substantially all of the assets of C&W USA to Gores for \$120 million, \$45 million of which will be payable in cash, plus a note with a value equal to \$75 million, payable and deliverable upon closing. The final purchase price is subject to closing adjustments based on business performance targets that have been set for working capital, revenue and certain overhead expenses. In any event, pursuant to the APA, the final purchase price cannot be less than \$50 million. The purchase price will be applied to C&W USA's outstanding liabilities in accordance with the Bankruptcy Code. The assets to be sold include, but are not limited to, real property and equipment (and the rights thereunder), accounts and notes receivable, and customer contracts, not including the excluded assets defined in the APA.

Throughout the bankruptcy process, the availability of up to \$100 million in Debtor-In-Possession ("DIP") financing from Cable and Wireless plc, subject to Bankruptcy Court approval, is expected to be more than sufficient to meet C&W USA's obligations throughout the sale process. The DIP financing will be used to maintain normal business operations without interruption and ensure the orderly sale of the business. Quality of service to customers will be maintained throughout the sale process. Further, C&W USA has engaged AlixPartners LLC, principally John S. Dubel and Eric A. Simonsen, to aid with the

restructuring process. Both executives have extensive experience in restructuring major organizations, including telecommunications companies such as WorldCom.

Although it is expected that the Bankruptcy Court will confirm the sale of C&W USA's assets to Gores – the “stalking horse” bidder – the APA is subject to a competitive bidding process whereby the Bankruptcy Court will invite competing bids and conduct an auction to ensure that the Company receives the best possible offer from the “highest and best” bidder. Then, at a sale hearing, the Bankruptcy Court will approve the final sale to the winning bidder. The auction date currently is set for January 21, 2004, and the sale hearing for January 23, 2004. Given the financial condition of C&W USA and the importance of concluding the bankruptcy proceedings as quickly as possible, the Applicants are anxious to complete the transaction promptly following approval by the Bankruptcy Court of the sale of assets. Accordingly, Applicants request that this Application and the related applications described in Exhibit A be granted expeditiously so that closing can take place as quickly as possible following issuance of a sale order.⁴

Transferring substantially all of the C&W USA assets to Gores will provide access to capital and restructuring management expertise necessary to allow continued operations. The transaction will thus help ensure that C&W USA's telecommunications customers will continue to receive services on an uninterrupted basis. Immediately after the transaction is completed, current customers of C&W USA are expected to continue to receive service under

⁴ To the extent that the required regulatory approvals are not in place by the time that other closing conditions are met, it is anticipated that the parties will conduct an initial closing into escrow and that legal title and operational control of C&W USA's regulated assets will transfer as requisite regulatory approvals are obtained. To facilitate the transition, the Applicants will enter a Management Agreement pursuant to which Gores will provide management services to C&W USA on a temporary basis, thereby enabling C&W USA to continue to provide uninterrupted service to existing customers between the initial closing into escrow and the actual transfer of legal title and operational control of the assets after the necessary regulatory approvals are obtained. Thus, throughout this transition period, customers will continue to be served without any interruption of service. The Management

the same rates, terms, and conditions that currently apply to their services. As a result, the proposed asset sale will be virtually transparent to customers in terms of the services that they receive.

In accordance with applicable FCC and state requirements, advance written notice will be sent to affected customers informing them of the proposed transaction. In addition, Gores will file with the Commission the notice and certification required by Section 64.1120(e) of the Commission's rules.

III. The Proposed Transaction Will Serve the Public Interest

Applicants submit that this Transaction will serve the public interest. In particular, Applicants submit that (1) the transaction will minimize the uncertainty created by C&W USA's bankruptcy status and assure that there will be a seamless transition for the C&W USA customers being transferred to Gores and (2) the transaction will maintain a sustainable provider of competitive services in the telecommunications marketplace.

As the Commission is acutely aware, C&W USA is not alone in suffering recent financial hardship which has plagued virtually the entire competitive carrier community. Bankruptcy filings by carriers such as WorldCom, Network Plus, Global Crossing, Winstar, ICG, NorthPoint, and Covad, coupled with numerous service discontinuance notifications/applications by numerous other carriers, have consolidated or eliminated a large number of competitors in certain markets. Other competitive entrants have scaled back the scope of their respective operations or ceased offering new service. The access to capital and the consequent continuation of the operation of the C&W USA assets as a competitive force as a result of this transaction is therefore particularly important in light of the significant consolidation in the industry.

Agreement and the availability of DIP financing will ensure a smooth transition of the

Existing customers, in particular, will realize significant public interest benefits from the transaction. Due to its financial condition as part of its effort to reorganize, C&W USA has had to downsize its operations and discontinue certain services to some of its existing customer base at certain locations. Applicants submit that the acquisition by Gores will permit the business to pursue a refocused market plan and, on a success-based model, expand operations once again. Furthermore, this change should generally be transparent to existing customers, who will continue to receive the same high quality telecommunications services that they currently and expect to receive from C&W USA. Gores will continue to offer the same services and to adopt C&W USA's existing rates, terms and conditions of service so that immediately following the transaction customers will continue to receive service under same terms and conditions as they currently receive service.

IV. Timing

In light of the current bankrupt status of C&W USA, the transaction proposed herein is necessary to help ensure that the C&W USA customer base that Gores will acquire will continue to receive uninterrupted service. Due to its uncertain financial position, C&W USA is vulnerable to erosion of its existing customer base. C&W USA also is presently unable to compete effectively for new customers as a result of capital constraints and the uncertainty of its current financial position. Rapid completion of the transaction therefore is a critical factor in order to minimize the risk of interruption of service or other inconvenience to affected C&W USA customers. Accordingly, Applicants respectfully request that the Commission expedite the processing of this Application and grant the requested authority to permit Applicants to consummate the transaction as soon as possible following approval by the Bankruptcy Court of the proposed transaction. If the Bankruptcy Court permits an entity

business through the completion of the sale transaction.

other than Gores to acquire the assets of C&W USA, Applicants will promptly notify the Commission and withdraw this Application accordingly.

V. Information Required by Section 63.24(e) of the Commission's Rules

In support of this Application, the Applicants submit the following information pursuant to Section 63.24(e) of the Commission's Rules, including the information requested in Section 63.18:

- (a) Name, address and telephone number of Applicants:

Cable & Wireless USA, Inc., Debtor-in-Possession
11700 Plaza America Drive
Reston, VA 20190
Tel: 703-292-2000
FRN: 0004260360

Gores Asset Holdings, Inc.
10877 Wilshire Boulevard, 18th Floor
Los Angeles, CA 90024
Tel: (310) 209-3010
FRN: 0010149060

- (b) C&W USA is organized under the laws of Delaware. Gores is also organized under the laws of Delaware

- (c) Correspondence concerning this Application should be sent to:

for C&W USA: Cathy Slesinger
Joanna Lowry
Cathleen Wasilewski
Cable & Wireless USA, Inc.
11700 Plaza America Drive
Reston, VA 20190
Tel: (703) 292-2830
Fax: (703) 282-2820
Cathy.Slesinger@CWUSA.COM
Joanna.Lowry@CWUSA.COM
Cathleen.Wasilewski@CWUSA.com

and Brad E. Mutschelknaus
Robert J. Aamoth
Kelley Drye & Warren, LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036
Tel: (202) 955-9600
Fax: (202) 955-9792
BMutschelknaus@KelleyDrye.com
RAamoth@KelleyDrye.com

and for Gores: Eric R. Hattler
Ian Weingarten
Gores Technology Group, LLC
10877 Wilshire Boulevard, 18th Floor
Los Angeles, CA 90024
Tel (310) 209-3010
Fax: (310) 443-2149
ehattler@gores.com
iweingarten@gores.com

and Jean L. Kiddoo
Jeanne W. Stockman
Swidler Berlin Shereff Friedman, LLP
3000 K Street, NW, Suite 300
Washington, DC 20007-5116
Tel: (202) 424-7834
Fax: (202) 424-7645
JLKiddoo@swidlaw.com
JWStockman@swidlaw.com

- (d) C&W USA holds numerous international Section 214 authorizations. As noted above, C&W USA is not assigning those authorizations to Gores. However, for the Commission's reference, a list of those authorizations is provided in Exhibit B. Gores has filed a separate application for resold and facilities-based global international Section 214 authority.
- (e)(3) By this Application, Applicants seek authority for a transaction that will result in the assignment of C&W USA's international customer base and C&W USA's domestic Section 214 authority to Gores.
- (f) Not applicable.
- (g) Not applicable.

- (h) Upon consummation of the proposed transaction, the following entities will hold a 10% or greater direct ownership interest in Gores:

Gores Alternative Investments I, L.P.
10877 Wilshire Boulevard, 18th Floor
Los Angeles, CA 90024
Citizenship: United States
Principal Business: Investment Fund
Ownership: 36%

Gores Alternative Investments II, L.P.
10877 Wilshire Boulevard, 18th Floor
Los Angeles, CA 90024
Citizenship: United States
Principal Business: Investment Fund
Ownership: 36%

Gores Co-Invest Partnership, L.P.
10877 Wilshire Boulevard, 18th Floor
Los Angeles, CA 90024
Citizenship: United States
Principal Business: Investment Fund
Ownership: 25%

Upon consummation of the proposed transaction, the following investors in the above-listed funds will have a 10% or greater indirect interest in Gores:

State Board of Administration of Florida
Att'n: Frank P. Fernandez
1801 Hermitage Boulevard, Suite 100
Tallahassee, FL 32308
Citizenship: United States
Principal Business: Pension Fund
Ownership: 12.5% Indirect Interest (Limited Partner)

The general partner of Gores Alternative Investments I, L.P., Gores Alternative Investments II, L.P., and Gores Co-Invest Partnership, L.P. will be:

Gores Capital Advisors, LLC
10877 Wilshire Boulevard, 18th Floor
Los Angeles, CA 90024
Citizenship: United States
Principal Business: Private Equity/Mergers & Acquisitions
Ownership: Attributed with 100% Indirect Interest (General Partner)

The managing member of Gores Capital Advisors, LLC will be:

Gores Technology Group, LLC
10877 Wilshire Boulevard, 18th Floor
Los Angeles, CA 90024
Citizenship: United States
Principal Business: Private Equity/Mergers & Acquisitions
Ownership: Attributed with 100% Indirect Interest (Managing Member)

The managing member of Gores Technology Group, LLC will be:

AEG Holdings, LLC
10877 Wilshire Boulevard, 18th Floor
Los Angeles, CA 90024
Citizenship: United States
Principal Business: Holding Company
Ownership: Attributed with 100% Indirect Interest (Managing Member)

The managing member of AEG Holdings, LLC will be:

Alec E. Gores
10877 Wilshire Boulevard, 18th Floor
Los Angeles, CA 90024
Citizenship: United States
Principal Business: Private Equity/Mergers & Acquisitions
Ownership: 14.8% Indirect Interest (Various Limited Partnership Interests)

Gores certifies that none of members of its board of directors also serve on the board of a foreign telecommunications carrier or a holding company whose subsidiary is a foreign telecommunications carrier.

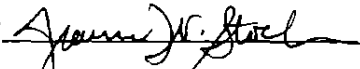
- (i) Gores certifies that it is not a foreign carrier within the meaning of 63.09(d) of the Commission's Rules.
- (j) Gores certifies that through its acquisition of the assets of C&W USA, it does not seek to provide international telecommunications services to any destination country where:
(i) Gores is a foreign carrier; (ii) Gores controls a foreign carrier; (iii) any entity that owns more than 25 percent of Gores, or that controls Gores, controls a foreign carrier in that country; or (iv) two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of Gores and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing or international basic telecommunications services in the United States.
- (k) Not Applicable.
- (l) Not Applicable.

- (m) Gores qualifies for a presumption of non-dominance under Section 63.10(a)(1) as it is not a foreign carrier or affiliated with a foreign carrier.
- (n) Gores certifies that it has not agreed to accept special concessions, as defined in Section 63.14(b) of the Commission's Rules, 47 C.F.R. §63.14(b), directly or indirectly, from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route, and will not enter into such agreements in the future.
- (o) Applicants certify, pursuant to Sections 1.2001 through 1.2003 of the Commission's Rules (implementing the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 3301), that they are not subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.
- (p) Applicants request streamlined processing of this Application pursuant to Section 63.12 of the Commission's Rules, 47 C.F.R. § 63.12. This Application qualifies for streamlined processing under Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c) because Gores qualifies for a presumption of non-dominance under Section 63.10(a)(1) of the Commission's Rules, 47 C.F.R. § 63.10(a)(1), as detailed in response to paragraph (m) above.

VI. CONCLUSION

Based on the foregoing, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application.

Respectfully submitted,

By: 

Brad E. Mutschelknaus
Robert J. Aarnoth
Kelley Drye & Warren, LLP
1200 19th Street, N.W., Suite 500
Washington, D.C. 20036
Tel: (202) 955-9600
Fax: (202) 955-9792

Jean L. Kiddoo
Jeanne W. Stockman
Swidler Berlin Shereff Friedman, LLP
3000 K Street, N.W. Suite 300
Washington, DC 20007
Tel: (202) 424-7834
Fax: (202) 424-7645

Counsel to Cable & Wireless USA, Inc.

Counsel to Gores Asset Holdings, Inc.

Dated: January ___, 2004

EXHIBIT A

DOMESTIC SECTION 214 TRANSFER OF CONTROL INFORMATION

Pursuant to Section 63.04 of the Commission's Rules, 47 C.F.R. § 63.04, the Applicants request authority to assign the domestic Section 214 customers and network assets of C&W USA to Gores. Applicants are filing a combined application pursuant to Section 63.04(b) of the Commission's Rules, 47 C.F.R. § 63.04(b). Applicants provide the following information in support of their request.

63.04(b)(6): Description of the Transaction

The proposed transaction is described in Section II of the application to which this Exhibit A is attached.

63.04(b)(7): Description of Geographic Service Area and Services in Each Area

C&W USA offers domestic interstate private line data services on a nationwide basis. Gores will offer services in the same areas currently served by C&W USA.

63.04(b)(8): Presumption of Non-Dominance and Qualification for Streamlining

This Application is eligible for streamlined processing pursuant to Section 63.03(b)(1)(ii) of the Commission's Rules, 47 C.F.R. § 63.03(b)(1)(ii), because Gores, the transferee, is not itself a telecommunications provider. In addition, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) of the Commission's Rules, 47 C.F.R. § 63.03(b)(2)(i). As a result of the transaction, Gores will have market share in the interstate, interexchange market of substantially less than 10 percent, and Gores will not be dominant with respect to any domestic service.

63.04(b)(9): Other Pending Commission Applications Concerning the Proposed Transaction

Concurrently herewith, Applicants are submitting an application to assign C&W USA's interest in submarine cable license TAT-14 to Gores. In addition, Gores is filing a separate application to obtain global international Section 214 authority. In accordance with applicable FCC and state requirements, advance written notice will be sent to affected customers informing them of the proposed transaction. Gores will also file with the Commission the notice and certification required by Section 64.1120(e) of the Commission's rules.

63.04(b)(10): Special Consideration

As described in this Application, the transaction is intended to facilitate the restructuring under Chapter 11 of the United States Bankruptcy Code. Thus, it is critical to a successful and orderly restructuring that the Applicants be permitted to consummate the transaction as soon as possible.

63.04(b)(11): Waiver Requests (If Any)

None.

63.04(b)(12): Public Interest Statement

The proposed transaction is in the public interest for the reasons detailed in Section III of the application to which this Exhibit A is attached.

EXHIBIT B

INTERNATIONAL SECTION 214 AUTHORIZATIONS HELD BY C&W USA

- *Cable & Wireless USA, Inc.*, International Authorizations Granted, Public Notice, Report No. TEL-00564, File No. ITC-214-20020627-00315 (rel. Aug. 15, 2002), (granting authority to Cable & Wireless USA, Inc. to provide ISR between the United States and Jamaica and St. Kitts and Nevis).
- *Cable & Wireless USA, Inc.*, International Authorizations Granted, Public Notice, Report No. TEL-00484, File No. ITC-214-20010507-00299 (rel. Jan. 10, 2002), *recon denied*, Order on Reconsideration (rel. March 31, 2003) (granting authority to Cable & Wireless USA, Inc. to provide facilities-based and resale services to all international points except China, Jamaica, Maldives, Russia, St. Kitts and Nevis, Seychelles, Vanuatu, and Yemen).
- *In the Matter of Cable & Wireless, Inc.*, Order, Authorization, and Certificate, File No. ITC-214-19980515-00326 (previously File No. ITC-98-380) (rel. Dec. 8, 1998) (granting authority to provide switched and private line international services on a facilities and resale basis between the United States and China)
- *In the Matter of Cable & Wireless, Inc.*, Order, Authorization and Certificate, File Nos. ITC-98-180 and ITC-98-181 (rel. Sept. 18, 1998) (granting authority to provide facilities-based switched and private line international telecommunications services and to provide resold, non-interconnected private lines between the United States and a number of international points including Maldives and St. Kitts and Nevis and to provide facilities-based switched and private line services between the United States and Jamaica).
- *In the Matter of Cable & Wireless Inc.*, Order, Authorization, and Certificate, File No. ITC-97-290 (rel. April 2, 1998) (granting authority to provide facilities-based switched and private line international telecommunications services between the United States and Russia).
- *In the Matter of BPG International, Inc.*, Order, Authorization and Certificate, File No. ITC-95-133 (rel. April 5, 1995) (granting authority to provide international switched services by resale to various overseas points).
- *In the Matter of Cable & Wireless Communications Inc.*, Order and Certification, File No. ITC-90-190 (rel. March 8, 1993) (granting authority to resell international private lines not interconnected to the public switched network for the provision of international private line service between the United States and 42 international points including Jamaica and Russia).
- *In the Matter of Cable and Wireless Communications Inc.*, Order, Authorization and Certificate, File No. ITC-91-068 (rel. April 25, 1991) (authority to resell switched voice services between the United States and various international points including Vanuatu).
- *In the Matter of Cable and Wireless Communications Inc.*, Memorandum Opinion, Order, Authorization and Certificate, File No. ITC-90-011 (rel. Feb. 13, 1990)

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(granting authority to provide switched voice services to various overseas points including the Maldives, Russia, and Seychelles).

- *In the Matter of TDX Systems, Inc.*, Order, Authorization and Certificate, File No. ITC-86-108 (rel. Sept. 2, 1986) (granting authority to provide international switched services between the United States and various overseas points including China, Jamaica, St. Kitts and Nevis, and Yemen).

CERTIFICATION

On behalf of Cable & Wireless USA, Inc., Debtor-in-Possession ("C&W USA") and in accordance with Section 1.2001-1.2003 of the Commission's Rules, 47 CFR §§ 1.2001-1.2003, I hereby certify that neither C&W USA nor any party to this application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988 See 21 USC § 853a. I also certify that the statements in the foregoing application as they pertain to C&W USA are true, complete, and correct to the best of my knowledge and are made in good faith.

Cable & Wireless USA, Inc. , Debtor-in-Possession

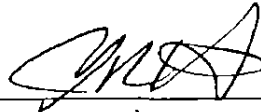
By: Cathy L. Slesinger
Name: Cathy L. Slesinger
Title: Senior Vice President, Public Policy
Date: January 12, 2004

CERTIFICATION

On behalf of Gores Asset Holdings, Inc. ("Gores") and in accordance with Section 1.2001-1.2003 of the Commission's Rules, 47 CFR §§ 1.2001-1.2003, I hereby certify that neither Gores nor any party to this application is subject to a denial of Federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988. See 21 USC § 853a. I also certify that the statements in the foregoing application as they pertain to Gores are true, complete, and correct to the best of my knowledge and are made in good faith.

GORES ASSET HOLDINGS, INC.

By:



Name:

Eric Hattler

Title:

Vice President & Secretary

Date:

1/14/04